

Message Text

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ACTION EB-07

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FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

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PASS US CUSTOMS SERVICE, TREASURY, STR

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SUBJECT: 68TH SESSION, VALUATION COMMITTEE (VC), CUSTOMS
COOPERATION COUNCIL

1. AT 68TH SESSION HELD NOV 4-14, 1975, VC NOTED THAT 10 OF 30 CONTRACTING PARTIES--BELGIUM, DENMARK, FRANCE, ITALY, LUXEMBOURG, NORWAY, RWANDA, SPAIN, SWEDEN AND UK--HAD NOTIFIED ACCEPTANCE OF COUNCIL RECOMMENDATION OF JUNE 11, 1974, TO PERMIT ACCESSION TO CONVENTION ON VALUATION OF GOODS FOR CUSTOMS PURPOSES BDV (BRUSSELS DEFINITION OF VALUE) ON F.O.B. BASIS. DELEGATES OF AUSTRIA, GERMANY, IRELAND, NETHERLANDS AND YUGOSLAVIA STATED THEIR COUNTRIES WERE IN COURSE OF ACCEPTING RECOMMENDATION. USDEL INFORMALLY ADVISED FINLAND EXPECTS TO ACCEPT RECOMMENDATION IN NEAR FUTURE. NO INDICATION AS TO ACCEPTANCE BY CYPRUS, GREECE, HAITI, IVORY COAST, JAPAN, KENYA, KOREA, NIGERIA, PAKISTAN, PORTUGAL, TUNISIA, TURKEY, UGANDA AND ZAIRE.

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2. USDEL INFORMED VC (1) US VALUATION PROCEDURES UNDER

ACTIVE DISCUSSION IN US, BUT DIRECTION OF ANY POSSIBLE CHANGE IS YET TO BE DETERMINED BECAUSE OF POLITICAL AND ECONOMIC CONSIDERATIONS WHICH FIRST MUST BE RESOLVED; (2) QUESTION ALSO IS BEING CONSIDERED AT GATT MULTILATERAL TRADE NEGOTIATIONS IN CONNECTION WITH DISCUSSIONS OF VALUATION AS POSSIBLE NTB; (3) MATTER ALSO MAY BE AIRED BEFORE COMMITTEE ON WAYS AND MEANS AT FORTHCOMING HEARINGS ON BILL TO MODERNIZE AND SIMPLIFY CUSTOMS PROCEDURES. USDEL URGED PROMPT ACCEPTANCE OF RECOMMENDATION OF JUNE 11, 1974, SO THAT POSSIBLE US ACCESSION TO BDV UNDER F.O.B. CONCEPT MAY BE CONSIDERED ALONG WITH OTHER ALTERNATIVES.

3. VC NOTED US PAPER ON TECHNICAL QUESTIONS ARISING OUT OF POSSIBLE IMPLEMENTATION OF RECOMMENDATION OF JUNE 11, 1974, AND COMMENTS OF DENMARK, IRAN, UK, FRANCE AND SOUTH AFRICA, BUT DEFERRED DETAILED CONSIDERATION UNTIL NEXT SESSION PENDING RECEIPT OF INFORMATION FROM AUSTRALIA, CANADA AND NEW ZEALAND, COUNTRIES WHICH VALUE GOODS UNDER F.O.B. CONCEPT.

4. SOUTH AFRICAN OBSERVER INFORMED VC THAT SOUTH AFRICA IS IN PROCESS OF ACCEPTING BDV, PROBABLY ON C.I.F. BASIS, BUT C.I.F./F.O.B QUESTION NOT RESOLVED FINALLY.

5. VC AGREED IN PRINCIPLE TO AMEND ARTICLE XVIII OF EVALUATION CONVENTION, WHICH REQUIRES UNANIMOUS AFFIRMATIVE ACTION BY ALL CONTRACTING PARTIES IF AMENDMENT TO CONVENTION IS TO BECOME EFFECTIVE AND PRESCRIBES NO TIME LIMITATIONS ACTION. VC PROVISIONALLY DECIDED THAT SIMPLIFIED AMENDMENT PROCEDURE SHOULD BE ADOPTED, PROVIDING AMENDMENT SHOULD BE DEEMED ACCEPTED IF NO CONTRACTING PARTY NOTIFIES OBJECTION WITHIN 12 MONTHS OF REFERRAL AND THAT AMENDMENT SHOULD COME INTO FORCE 12 MONTHS AFTER EXPIRY OF INITIAL 12-MONTH PERIOD. DRAFT RECOMMENDATION TO THIS EFFECT WILL BE CONSIDERED AT NEXT SESSION.

6. VC NOTED VIEWS EXPRESSED EARLIER BY ITS SECRETARIAT THAT, IF WORK IN GATT WERE AIMED AT ADOPTION OF ONE UNIFORM VALUATION SYSTEM, SOLUTION SHOULD BE SOUGHT THROUGH ACCEPTANCE OF BDV BY ALL GATT CONTRACTING PARTIES, PARTICULARLY IN LIGHT OF RECOMMENDATION OF JUNE 11, 1974.

7. VC CONSIDERED COUNTRIES ACCEPTING A RECOMMENDATION UNDER LIMITED OFFICIAL USE

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ARTICLE VI(B) OF THE VALUATION CONVENTION ARE OBLIGED TO ENSURE ITS APPLICATION AND, IF NECESSARY, INCORPORATE IT IN NATIONAL LAW, BUT THAT NATIONAL COURTS ARE NOT NECESSARILY BOUND BY SUCH RECOMMENDATIONS. USDEL SUGGESTED THAT ACCEPTANCE OF A RECOMMENDATION UNDER ARTICLE VI(B), EVEN IF IN ACCORD WITH NATIONAL LAW AT TIME OF ACCEPTANCE, OR IF LATER INCORPORATED IN NATIONAL LAW, WOULD NOT NECESSARILY BE BINDING ON US COURTS.

8. VC CONSIDERED DIFFERING INTERPRETATIONS REGARDING ROLE OF "PLACE" ELEMENT IN DETERMINING PRICE GOODS WOULD FETCH WITHIN MEANING OF ARTICLE I(1) OF BDV, AND AGREED THAT DRAFT RECOMMENDATION SPECIFYING THAT ARTICLE I SHOULD BE INTERPRETED AS MEANING "NORMAL PRICE" IS PRICE GOODS WOULD FETCH IN "MARKET CONCERNED" IN COUNTRY OF IMPORTATION WOULD BE CONSIDERED AT NEXT SESSION. USDEL EXPRESSED CONCERN AS TO POSSIBLE EFFECT OF SUCH A RECOMMENDATION ON GOODS VALUED UNDER F.O.B. CONCEPT.

9. JOHN E. BARRELL OF UK WILL RETIRE AS VC DIRECTOR AND BE SUCCEEDED BY E.A. BOSCH OF NETHERLANDS IN APRIL 1976.

10. 69TH/70TH SESSION OF VC WILL BE HELD IN BRUSSELS APRIL 27-MAY 7, 1976. FIRESTONE

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